

State Appeal Board

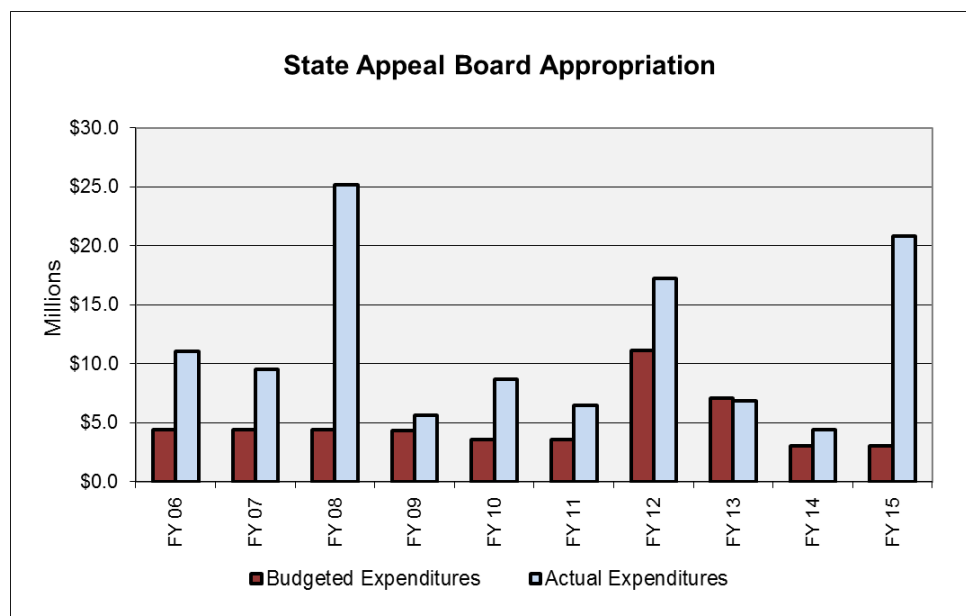
Purpose and History

The State Appeal Board is comprised of the Auditor of State, Treasurer of State, and the Director of the Department of Management. The purpose of the Board is to approve or reject the payment of claims against the State or a State employee and to resolve local budget protests. The Board also ratifies payments associated with court judgments and settlements against the State.

Expenditures – Actual vs Budget

The majority of the expenditures approved by the Appeal Board are paid through a General Fund standing unlimited appropriation. Due to the statutory functions of the Board and the nature of the appropriation, year-end expenditures are difficult to estimate for budgeting purposes due to the unpredictable nature of claims. This is illustrated on the chart below that shows the actual expenditures paid through the appropriation over the last 10 years have exceeded the amount annually budgeted by the General Assembly and the Governor. During this 10-year period, the average amount budgeted per year has totaled \$4.9 million. However, actual year-end expenditures have averaged \$11.6 million annually. When year-end expenditures exceed the amount budgeted, the year-end General Fund surplus is reduced, decreasing the amount of General Fund money that is transferred to the reserve funds.

Of the last 10 fiscal years, there are three years that were significantly higher than the 10-year average; FY 2008, FY 2012, and FY 2015. In FY 2008, the year-end expenditures totaled \$25.2 million. Of this, \$15.8 million was for claims associated with Iowa Lottery TouchPlay settlements. That year there were also several other large claims paid that were unanticipated at the time the budget was approved. In FY 2012, the expenses totaled \$17.2 million, largely due to the payment of claims involving the State Film Office and several large claims associated with the Regents institutions and the University of Iowa Hospitals and Clinics. Appeal Board expenses in FY 2015 totaled \$20.8 million. Of the total, \$12.3 million was associated with two settlements involving Walsh Construction and the Iowa State Penitentiary at Fort Madison. Other sizable claims included a \$2.0 million payment related to the Iowa Film Office settlement and another \$3.5 million associated with the Regents institutions.



More Information

State Appeal Board: <http://www.dom.state.ia.us/appeals/index.html>

Iowa General Assembly: <https://www.legis.iowa.gov/>

LSA Staff Contact: Dave Reynolds (515-281-6934) dave.reynolds@legis.iowa.gov